

Message Text

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ACTION EA-12

INFO OCT-01 ISO-00 PM-05 NSC-05 SP-02 SS-15 CIAE-00

DODE-00 INR-07 NSAE-00 PA-01 USIA-06 PRS-01

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E.O. 11652: N/A

TAGS: PINT, KS, US

SUBJ: PRESIDENT PAK'S BUDGET MESSAGE TO NATIONAL ASSEMBLY

REF: A) SEOUL 8384, B) 76 SEOUL 7977

SUMMARY: IN HIS OCTOBER 4 BUDGET MESSAGE TO THE NATIONAL ASSEMBLY, PRESIDENT PAK SAID THAT ROKG WILL STRENGTHEN TOTAL SECURITY POSTURE BY BUILDING UP KOREAN SELF-DEFENSE CAPABILITY. HE EMPHASIZED ECONOMIC ISSUES, PROPOSING NEW MINISTRY OF ENERGY AND RESOURCES AND LISTING PROPOSED EXPANSION IN FARM PRODUCTION, HEAVY INDUSTRY AND SOCIAL AFFAIRS AREAS. HE SAID TRADITIONALLY FRIENDLY COOPERATIVE RELATIONS BETWEEN KOREA AND US WOULD CONTINUE AND HOPED RELATIONS WITH JAPAN AND NON-ALIGNED COUNTRIES, AMONG OTHERS, WOULD IMPROVE AS WELL. SPEECH WAS POSITIVE, UPBEAT BUT NOT UNLIKE PREVIOUS PAK BUDGET ADDRESSES IN ITS UNDERLYING EXHORTATION FOR COUNTRY TO UNIFY TO DISPLAY STRENGTH TO NORTH. END SUMMARY.

1. PRESIDENT PAK'S BUDGET SPEECH, BY DEFINITION, EMPHASIZED ECONOMIC MATTERS. HE NOTED THAT ROKG WOULD INAUGURATE NEW MINISTRY OF ENERGY AND RESOURCES WITH ENABLING LAW TO BE PASSED THIS SESSION. HE ALSO INDICATED THAT THE

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CATED HOPE THAT TAX BURDEN FOR LOW INCOME WORKERS COULD BE DECREASED THROUGH MODIFICATION OF INCOME TAX SYSTEM.

2. IN BRIEF, HE SAID HE (A) HOPED FOR INCREASE IN FARM PRODUCTION AS WELL AS INCREASE IN INCOMES FOR FARMING AND FISHING HOUSEHOLDS. (B) SAID CONSTRUCTION OF CHEMICAL AND HEAVY INDUSTRY WOULD BE EMPHASIZED AND

THAT MACHINE INDUSTRIES WOULD BE EXPANDED. HE SPECIFICALLY LISTED POHANG IRON AND STEEL COMPANY WHICH IS BEGINNING ITS THIRD STAGE OF DEVELOPMENT AS AN EXPANDING COMPANY. (C) INDICATED GOVERNMENT WILL ALSO INCREASE SUPPORT OF SMALL AND MEDIUM INDUSTRIES. (D) SAID ROKG WILL EXPLORE COUNTRY'S NATURAL RESOURCES IN POSITIVE FASHION AS WELL AS ESTABLISH NEW ENERGY MINISTRY. (PARA 1). (E) NOTED GOVERNMENT WILL ALSO CONTINUE TO EXPAND "INDIRECT SOCIAL CAPITAL" LIKE PAVING OF COUNTRY ROADS AND CONSTRUCTION OF ELECTRIFIED RAILWAYS. (F) REPORTED ROKG INTENTION TO DEVELOP HIGHER TECHNOLOGY AS WELL AS INCREASE TECHNICAL TRAINING.

3. HE STRESSED FACT THAT ROKG WOULD MAINTAIN KOREAN/US MUTUAL DEFENSE SYSTEM IN ACCORD WITH TRADITIONALLY FRIENDLY COOPERATIVE RELATIONS BETWEEN TWO COUNTRIES. HE NOTED THAT US PROMISED TO FURNISH ADEQUATE COMPENSATORY MEASURES INCLUDING AUGMENTATION OF KOREAN SELF-DEFENSE CAPABILITIES AND TO CONDUCT PLANNED PHASEOUT OF US FORCES IN SUCH A WAY THAT MILITARY BALANCE ON KOREAN PENINSULA WOULD NOT BE DESTROYED. HE UNDERLINED US GOVERNMENT'S FIRM RESOLVE TO RENDER PROMPT AND EFFECTIVE SUPPORT OF ROK IN ACCORD WITH MUTUAL DEFENSE TREATY. PAK ALSO SAID A ROK/US JOINT COMMAND WILL BE ESTABLISHED AND US/ROK COMBINED EXERCISES WILL BE EXPANDED IN ACCORD WITH MUTUAL AGREEMENT AND PRIOR TO LIMITED OFFICIAL USE

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FIRST STAGE WITHDRAWAL OF US COMBAT TROOPS FROM KOREA.

4. HE NOTED THAT ROKG WILL "EXERT PARTICULAR EFFORTS (TO STRENGTHEN) TIES WITH ASEAN AS WELL AS NON-ALIGNED NATIONS" AND JAPAN. GOVT WILL ALSO STRENGTHEN DIPLOMATIC AS WELL AS OVERSEAS PUBLIC INFORMATION EFFORTS. WITH RESPECT TO NORTH KOREA, PRESIDENT SAID GOVT WILL CONTINUOUSLY ASK NORTH TO RESPOND TO CALL TO RESUME SOUTH/NORTH TALKS ON BASIS OF JULY 4 JOINT COMMUNIQUE OF 1972.

5. PAK INDICATED NOT ONLY WOULD GOVERNMENT ACCELERATE EFFORTS IN DEFENSE INDUSTRIES BUT ALSO WOULD TRY TO ACHIEVE MASS-PRODUCTION SYSTEM OF BASIC ARMS AND EQUIPMENT FOR MILITARY. GOVT WOULD ALSO DEVELOP COMBAT CAPABILITIES OF HOMELAND RESERVE AND REINFORCE DEFENSE ROLE OF CIVIL DEFENSE CORPS.

6. IN SOCIAL WELFARE AREA, PRESIDENT SAID HE WOULD SEEK MORE SMALL HOUSES FOR HOMELESS, EXPAND MEDICAL INSURANCE, INCREASE ENGINEERING HIGH SCHOOLS AND COLLEGES, RAISE WAGES OF GOVERNMENT OFFICIALS AND HE WOULD

CONTINUE "ADMINISTRATION RENOVATION DRIVE" (READ ANTI-CORRUPTION CAMPAIGN).

7. BUDGET MESSAGE, READ TO ASSEMBLY BY PRIMIN CHOE KYU-HA, WAS IN MANY WAYS REPEAT OF SUBSTANCE OF LAST YEAR'S BUDGET MESSAGE BUT WITH EVEN STRONGER CALL FOR GOVERNMENT EXPANSION, POPULAR UNITY WITH PERVASIVE NOTE OF SELF-CONFIDENCE EVIDENT THROUGHOUT TEXT.

8. FULL TEXT BEING POUCHED.
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Message Attributes

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Copy: SINGLE
Sent Date: 05-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Legacy Key: link1977/newtext/t19771091/aaaaczol.tel
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